

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Industries & Commerce Department – Appeal petition filed by the Andhra Sugars Limited, (Unit –II) Taduvai, West Godavari District against the declaration of 2 new villages to M/s. Jeypore sugar Company Limited, Chagallu for drawing sugarcane – Appeal petition examined - Rejected.

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INDUSTRIES & COMMRECE (SUGAR) DEPARTMENT  
G.O.Rt.No. 696 Dated:13.12.2011.

1. Proceedings Rc.No.C1/10290/2006, Dt.31.8.2006 of the Commissioner of Sugar & Cane Commissioner, AP,Hyderabad.
2. Appeal petition filed by M/s. Andhra Sugars Ltd. (Unit.II), Taduvai, WG Dist., Dt.30.11.2006 before the Appellate authority ie., Govt. of AP in Inds. & Com. Deptt.
3. Govt.Memo.No.18526/Sug/A1/2006-1, Dt.13.12.2006.
4. From the Commissioner of Sugar & Cane Commissioner, AP, Hyderabad, Rc.No.C1/14502/06, Dt.21.6.2011.

ORDER:

In the reference 2<sup>nd</sup> read above, M/s. Andhra Sugars Limited, (Unit – II) Taduvai, West Godavari District has filed an appeal before the Government under Section 17 of A.P. Sugarcane (RS & P) Act, 1961 against the orders of the Cane Commissioner in Rc.No.C1/10290/2006, Dt:31.08.2006 for inclusion of two (2) new villages ie., **Vinjaram and Venkatapuram** of Polavaram Mandal of West Godavari District in the zone area of M/s Jeypore Sugar Company Limited (V.V.S.) Sugars, Chagallu of West Godavari District by the Cane Commissioner, while declaring it's factory zone for 5 crushing seasons from 2006-2007 to 2010-2011, keeping in view the interest of the farmers, subject to revision, if the Khandasari unit at Venkatapuram restarts its crushing operations.

2. In the Memo. 3<sup>rd</sup> read above, the Commissioner of Sugar & Cane Commissioner, Hyderabad was requested to furnish the detailed remarks on the appeal filed by the M/s. Andhra Sugars Limited, Taduvai, West Godavari District.

3. In the reference 4<sup>th</sup> read above, the Commissioner of Sugar & Cane Commissioner, Hyderabad has stated that the Andhra Sugars Limited, Taduvai is a new unit established and commenced its crushing operations in 1996-97 season with a crushing capacity of 2500 TCD consisting of 229 villages in 11 mandals as zone area. Whereas Jeypore Sugars Limited, Chagallu is having 154 villages as zone for 8500 TCD capacity. Polavaram Mandal is having a total of 23 villages. Out of which, 14 villages are pertaining to the zone area of The Andhra Sugars Limited, Unit-II, Taduvai, 5 villages are pertaining to the zone area of Jeypore Sugar Company Ltd., Chagallu and remaining 4 villages were kept as free. The four (4) villages (1) Venkatapuram, (2) Vinjaram, (3) Pydipaka and (4) Chegondipalli of **Polavaram Mandal** were kept as free villages for supply of sugarcane to M/s Venkateswara Khandasari Unit at Venkatapuram Village for its requirement to avoid any conflict for the purchase of cane from the zone villages of neighbouring sugar factories by the Khandasari Unit. The Khandasari Unit has become defunct and permanently closed **from 2004-2005 season** and later on the machinery was also dismantled. Temporary permissions were accorded to M/s Andhra Sugars Limited, Unit-II, Taduvai on their request for drawal of sugarcane only from the free villages ie., Pydipaka, Vinjaram and Venkatapuram of Polavaram Mandal in the interest of the cane growers in view of non-functioning of Khandasari Unit at Venkatapuram.

4. The Commissioner of Sugar & Cane Commissioner has further stated that, two (2) villages ie., **Vinjaram and Venkatapuram** of Polavaram Mandal were included in the zone area of M/s Jeypore Sugar

Company Limited, Chagallu as per cane growers interest by observing the 3 major factors ie., Compactness, Contiguity and Nearness (distances) to the factory as they are proposed to construct a new sugar factory with 5000 TCD at Pothavaram Village, Nallajerla Mandal. He has also informed that the two (2) free villages were included in the zone area of M/s Jeypore Sugar Company Limited, Chagallu in the interest of the cane growers in view of the fact that:

1. Jeypore Sugars Ltd has taken permission for constructing a new sugar factory in the name of M/s VRK Sugars Ltd. at Pothavaram Village, Nallajerla Mandal of West Godavari District by bifurcating their existing zone of 154 villages ie., 50 villages for VRK Sugars Ltd (new Unit) and 104 villages for Jeypore Sugars Ltd. (existing Unit).
2. to encourage the new sugar factory and to bring more area under sugarcane for supply to the new sugar factory of its requirement.
3. to give opportunity to the new sugar factory for benefit to the younger generation to get employment, if new sugar factory is established.
4. the erection of new sugar factory in the name of VRK Sugars Ltd at Pothavaram is almost completed with 5000 TCD having 50 villages as their zone area and its sister concern unit at Chagallu which is 8500 TCD is having 104 villages as zone, whereas Andhra Sugars Ltd., Unit-II, Taduvai which is 2500 TCD capacity is having 229 villages as their zone.
5. The Commissioner of Sugar & Cane Commissioner, Hyderabad has further informed that the Cane Commissioner is the competent authority for inclusion of villages or deletion of villages while declaration/renewal of zone areas to the sugar factories under Section 15 of A.P. Sugarcane (RS & P) Act, 1961.
6. The Commissioner of Sugar & Cane Commissioner, Hyderabad has therefore, stated that the claim of the Andhra Sugars Limited, Unit-II, Taduvai for inclusion of the 2 villages ie., Vinjaram and Venkatapuram to their zone area or to keep the said 2 villages as free, is not justifiable, since the Khandasari Unit as Venkatapuram was permanently closed and more over the erection of new sugar factory ie., VRK Sugar Limited at Pothavaram is almost completed.
7. Government after careful examination of the appeal petition filed by M/s. Andhra Sugars Limited, (Unit –II) Taduvai, West Godavari District in the reference 2<sup>nd</sup> read above, keeping in view of the report of the Commissioner of Sugar & Cane Commissioner, AP, Hyderabad vide reference 4<sup>th</sup> read above, felt that there are no merits to consider the appeal petition to set aside the proceedings of Commissioner of Sugar & Cane Commissioner, Hyderabad issued in the ref. 1<sup>st</sup> read above for inclusion of 2 new villages ie., Vinjaram, Venkatapuram in the zone area of M/s. Jeypore Sugar Company Limited, Chagallu to draw the sugar and hence the appeal is rejected.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

T.S. APPA RAO,  
PRINCIPAL SECRETARY TO GOVERNMENT &  
COMMISSIONER FOR INDUSTRIAL PROMOTION.

To  
M/s. Andhra Sugars Limited, (Unit –II) Taduvai, West Godavari District.

**Copy to:**

The Commissioner, of Sugar & Cane Commissioner, AP, Hyderabad.  
The Managing Director, M/s Jeypore Sugar Company Limited, Chagallu, West Godavari District.  
SF/SC-2.

// FORWARDED:: BY ORDER//

SECTION OFFICER